

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 616

Department of Health &
Human Services
Centers for Medicare and
&
Medicaid Services

Date: JULY 22, 2005

Change Request 3833

SUBJECT: Certified Registered Nurse Anesthetist (CRNA) Pass-Through Payments

I. SUMMARY OF CHANGES: This Change Request clarifies payment instructions for Method I and Method II Critical Access Hospitals that keep their CRNA pass-through exemptions; and also includes billing instructions for Method II CAHs that gave up their CRNA pass-through exemption.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : October 01, 2002

IMPLEMENTATION DATE : January 03, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
R	4/250/250.3.3/Anesthesia and CRNA Services in a Critical Access Hospital (CAH)
N	4/250/250.3.3.1/Payment for CRNA Pass-Through Services
N	4/250/250.3.3.2/Payment for Anesthesia Services by a CRNA (Method II CAH only)

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

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SUBJECT: Certified Registered Nurse Anesthetists (CRNA) Pass-Through Payments for Critical Access Hospitals (CAHs)

I. GENERAL INFORMATION

A. Background: Critical Access Hospitals (CAHs) with CRNA pass-through exemptions that have not been receiving the correct payment.

B. Policy: Critical Access Hospitals that qualify for the CRNA exemption can receive payment for the CRNA professional fees from the fiscal intermediaries (FI) regardless of which option they choose.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (place an “X” in the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3833.1	FIs and FISS shall annotate the provider file to allow the CRNA indicator, for Method I and Method II CAHs, that have a CRNA pass-through exemption.	X				X				
3833.2	FIs shall accept revenue code 037X with type of bills (TOBs) 11x and 85x for CRNA technical services for all CAHs.	X				X				
3833.3	FIs shall accept revenue code 0964 with type of Bills (TOBs) 11x and 85x for CRNA professional services for Method I and Method II CAHs, with a CRNA pass-through exemption.	X				X				

Requirement Number	Requirements	Responsibility (place an “X” in the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3833.4	The FI shall make payment as follows for TOBs 85X and 11X for CAHs paid under Methods I and II with a CRNA pass-through exemption – - Revenue Code 037X- Technical Service = Cost Reimbursement Revenue Code 0964 – Professional Service = Cost Reimbursement - Deductible and coinsurance apply.	X				X				
3833.5	The FI shall make payment as follows for the TOB 85X CAHs paid under Method II that gave up the pass-through exemption. - Revenue Code 037X = Technical Service – Cost Reimbursement - Revenue Code 0964 = Professional Service – 115% times 80% (not medically directed) or 115% times 50% (medically directed) of allowed facility amount on the MPFS.	X								
3833.6	The FI shall look for the “QZ” modifier to identify the non-medically directed CRNA service.	X				X				
3833.7	FIs shall pay CRNA pass-throughs back to October 1, 2002, if the CAH attests in writing that they did not receive payment for CRNA pass-through exemption (professional) services and they are eligible for the CRNA pass-through exemption.	X				X				

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3833.8	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.									X

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: October 1, 2002 Implementation Date: January 03, 2006 Pre-Implementation Contact(s): Doris Barham, 410-786-6146; Pat Barrett, 410-786-0508 Post-Implementation Contact(s): Regional Offices	Medicare Contractors shall implement these instructions within their current operating budgets.
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Medicare Claims Processing Manual

Chapter 4 - Part B Hospital (Including Inpatient Hospital Part B and OPPS)

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(Rev.616, 07-22-05)

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250.3.3.1 – Payment for CRNA Pass-Through Services

250.3.3.2 – Payment for Anesthesia Services by a CRNA (Method II CAH only)

250.3.3 – *Anesthesia and CRNA Services in a Critical Access Hospital (CAH)*

(Rev.616, Issued: 07-22-05, Effective: 10-01-02, Implementation: 01-03-06)

250.3.3.1 *Payment for CRNA Pass-Through Services*

(Rev.616, Issued: 07-22-05, Effective: 10-01-02, Implementation: 01-03-06)

If a CAH that meets the criteria for a pass-through exemption is interested in selecting the Method II option, it can choose this option for all outpatient professionals except the CRNA's and still retain the approved CRNAs exemption for both inpatient and outpatient professional services of CRNAs. The CAH, with an approved exemption, can choose to give up its exemption for both inpatient and outpatient professional services of CRNAs in order to include its CRNA outpatient professional services along with those of all other professional services under the Method II option. By choosing to include the CRNAs under the Method II for outpatient services, it loses its CRNA pass-through exemption for not only the outpatient CRNA services, but also the inpatient CRNA services. In this case the CAH would have to bill the Part B carrier for the CRNA inpatient professional services.

All intermediary payments for CRNA services are subject to cost settlement.

If a CAH that meets the criteria for a pass-through exemption is not interested in selecting the Method II option, the CAH can still receive the CRNA pass-through under the Standard Option (Method I). Below are the billing requirements for Method I.

Provider Billing Requirements for Method I

TOBs = 85X and 11X

Revenue Code 037X for CRNA technical services

Revenue Code 0964 for Professional services

HCPCS Code = Anesthesia HCPCS code (00100 through 01999 HCPCS range)

Units = Anesthesia

Reimbursement

Revenue Code 37X, CRNA technical service = Cost Reimbursement

Revenue Code 0964, CRNA professional service = Cost Reimbursement for both inpatient and outpatient

Deductible and coinsurance apply.

250.3.3.2 *Payment for Anesthesia Services by a CRNA*

(Method II CAH only)

(Rev.616, Issued: 07-22-05, Effective: 10-01-02, Implementation: 01-03-06)

Provider Billing Requirements for Method II Receiving the CRNA *Pass-Through*

TOB = 85X

Revenue Code 37X = CRNA technical service

Revenue Code 0964 = CRNA professional service

HCPCS Code = Anesthesia HCPCS code (00100 through 01999 HCPCS range)

Units = Anesthesia

Reimbursement

Revenue Code 37X, CRNA technical service = cost reimbursement

Revenue Code 0964, CRNA professional service = cost reimbursement

Deductible and coinsurance apply.

Provider Billing Requirements for Method II CRNA – Gave up Pass-Through Exemption (or never had exemption)

TOB = 85X

Revenue Code = 37X for CRNA technical service

Revenue Code = 964 for CRNA professional service

Reimbursement

Revenue Code 37X for CRNA technical service = cost reimbursement

Revenue Code 964 for CRNA professional service = 115% times 80% (not medically directed) or 115% times 50% (medically directed) of allowed amount (Use Anesthesia formula)for outpatient CRNA professional services.

Providers would bill a “QZ” modifier for non-medically directed CRNA services. Deductible and coinsurance apply.

How to calculate payment for anesthesia claims based on the formula

Identify anesthesia claims by HCPCS code range from 00100 through 01999

Add the anesthesia code base unit and time units. The time units are calculated by dividing actual anesthesia time (Units field on the UB92) by 15. Multiply the sum of base and time units by the locality specific anesthesia conversion factor (file name below).

The Medicare program pays the CRNA 80% of this allowable charge when not medically directed. Deductible and coinsurance apply.

If the CRNA is medically directed, pay 50% of the allowable charge. Deductible and coinsurance apply.

Base Formula

Number of minutes divided by 15, plus the base units = Sum

Sum times the conversion factor = allowed amount

Source

Number of minutes = Number of units on the claim (Units field of the UB92)

Base Units = Anesthesia HCPCS

Conversion Factor = File – [MU00.@BF12390.MPFS.CY04.ANES.V1023](#)